Revision: HCFA-PM-91-8

October 1991

(MB)

ATTACHMENT 4.22-C Page 1 of 3 OMB No.:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

Pennsylvania
Condition or Requirement

1906 of the Act

State Method on Cost Effectiveness of Employer-Based Group Health Plans

- 1. Determine Medicaid costs through the Pennsylvania Medical Assistance Management Information System (MAMIS) for services covered by the group health insurance plan. Cost data will be categorized according to (but not limited to) age, sex, geographic location, and eligibility category (or grouping of categories) of assistance.
- 2. Determine group health insurance plan costs. The policy information needed to determine the cost of the group health insurance plan is:
  - \* Effective date of the policy
  - \* Exclusions to enrollment
  - \* Services covered under the policy
  - \* Limitations on services and/or costs
  - \* Premium, deductible and co-insurance amounts

TN No. 93-19 Supersedes	Approval Date DEC 17 1993	Effective Date07/01/93	_
TN No. New		HCFA ID: 7985E	

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State/Territory	Pennsylvania
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1906 of the Act	State Method on Cost Effectiveness of Employer-Based Group Health Plans

- 3. Determine the State administrative cost by dividing the total administrative costs of the HIPP program by the total projected number of yearly referrals to the program for cost effective determination. The administrative cost in the formula may be adjusted through operational phases of the program.
- 4. Calculate cost effectiveness. Compare costs under Medicaid (step 1) to costs under the group health plan (step 2) plus administrative costs (step 3). It is cost effective if the costs to the State under the group health plan plus administration are likely to be lower than the cost to the State for these services under Medicaid.
- 5. A recipient's specific health related circumstances may be considered. The system calculates a percentage add-on to Pennsylvania's Medicaid cost (identified in step 1) for the diagnosis identified. It is

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cost effective if the costs to the State under the group health plan plus administrative costs are likely to be lower than the cost to the State for the specific medical condition under Medicaid.

When it is determined to be cost effective, HIPP shall pay for health insurance premiums for non-medicaid-eligible family members if a non-medicaid-eligible family member must be enrolled in the health plan in order to obtain coverage for the Medicaid-eligible family members. However, the needs of the non-Medicaid-eligible family members shall not be taken into consideration when determining cost-effectiveness and payments for deductibles, coinsurances or other costsharing obligations shall not be made on behalf of family members who are not Medicaid-eligible.

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The person you choose as your "attorney-in-fact" does not have to be a lawyer.

## 7. Why do they call it a "Durable Power of Attorney"?

Normally, a "power of attorney" becomes ineffective if you become incompetent. A "durable power of attorney" continues to be effective or takes effect if or when you become incompetent. To be considered a "durable power of attorney" for health care, the document must contain at least the following or similar language:

"This power of attorney shall not be affected by my subsequent disability or incapacity"

-or-

"This power of attorney shall become effective upon my disability or incapacity"

### 8. What about a "living will"?

A "living will" is a document which usually states that you desire to be allowed to die a natural death and not be kept alive by medical treatment, heroic measures, or artificial means that will not improve your health. There are also "living wills" which state that you  $\underline{do}$  want to be kept alive. Your will is a

separate document which tells your survivors what to do with your property after your death.

#### 9. Doe's Pennsylvania law recognize "living wills"?

Unlike most other states, Pennsylvania does not currently recognize "living wills". This means that they are not binding on health care providers and the courts. Some judges in Pennsylvania, however, may look to your living will as evidence of your wishes if, because of your incompetency, a court is asked to decide who should make decisions about your care and treatment and what those decisions should be.

# 10. With whom should I discuss my instructions before I commit them to writing?

Before you commit your wishes to writing, you may wish to discuss them with your doctor, members of your family, friends or other appropriate persons -- such as a member of the clergy. If you are writing a "durable power of attorney" for health care, you should also discuss your wishes with the person you are naming as your "attorney-in-fact".

#### APPENDIX A

## MAKING DECISIONS ABOUT YOUR CARE AND TREATMENT: YOUR RIGHTS AS A PATIENT IN PENNSYLVANIA

#### I. INTRODUCTION

In Pennsylvania, competent adults have the right to decide whether to accept, to reject or to discintinue medical care and treatment. Generally, if a person does not want to indergo a certain procedure or to receive a certain type of treatment. He or she has the right to make those wishes known to his or her doctor or other health care provider and to have those wishes respected.

There may be times, however, when a person cannot make his or her wishes known to a health care provider. For example, a person may be unconscious or injured too severely to tell his or her doctor what kind of care or treatment he or she would like to receive or under what circumstances that doctor should withhold care or treatment.

The purpose of this document is to tell you what Pennsylvania law currently has to say about (1) your rights as a competent adult to accept or reject medical or surgical treatment from a health care provider, (2) your right as a competent adult to give advance instructions to others about your care and treatment, and (3) the duty of your health care provider to follow those instructions.

To make these complex issues easier to understand, we have addressed them through a series of questions and answers. Before you make any decisions about the issues addressed in this document, you should discuss them with your doctor, members of your family or friends, and where appropriate, your lawyer.

#### II. QUESTIONS AND ANSWERS

1. What are my rights to accept, to reject, or to stop medical care or treatment?

In Pennsylvania, competent adults generally have the right to decide if they want to accept, to reject or to discontinue medical care and treatment.

#### 2. What does my doctor have to tell me about my care and treatment?

Your doctor must provide you with all of the information which a person in your situation reasonably needs to know in order to make an informed decision about a proposed procedure or course of treatment. This means that your doctor must tell you about the risks and benefits of the medical procedure or course of treatment which he or she is recommending, possible "side effects," and alternatives, if any, to the proposed procedure or course of